

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 650 - HB 1342

March 4, 2023

SUMMARY OF BILL AS AMENDED (004769): Prohibits any employer who accepts economic development incentives from this state from:

- Agreeing with a labor organization to grant recognition rights for employers' employees, or subcontractors, solely and exclusively on the basis of signed authorization cards if the selection of a bargaining representative may instead be conducted through a secret ballot election conducted by the National Labor Relations Board; and
- Voluntarily disclosing an employee's, or subcontractor's, personal contact information to a labor organization, or a third party acting on behalf of a labor organization, without the employee's prior written consent unless required by state or federal law.

Defines "economic development incentives" as a FastTrack job training grant and economic development grant or capital grant for economic development purposes provided to an employer to attract or retain the employer's physical presence in the state.

Any violation regarding the aforementioned secret ballot requirement or disclosure requirement would require an employer to reimburse the state for any economic incentives received.

Requires the Commissioner of the Department of Economic and Community Development (ECD) to require a recipient of a grant enter into an agreement with ECD, reserving the right of ECD to recover the amount of money, grants, funds or other incentives disbursed by the Department.

Requires the Department of Labor and Workforce Development (DLWD) to investigate whether a violation of the agreement has occurred, and requires DLWD to provide written notice to ECD if a violation has occurred. Requires ECD to inform the employer regarding the results of the investigation and the Attorney General and Reporter to initiate proceedings to recover funds from the employer.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

SB 650 - HB 1342

Assumptions for the bill as amended:

- The proposed legislation may result in future economic development incentives only going to recipients who do not engage in the acts prohibited of such recipients.
- The proposed legislation is not estimated to have any significant impact on the total amount of economic development incentives or capital grants paid out by the state.
- It is assumed that employers seeking economic development incentives will overwhelmingly comply with the requirements of this legislation.
- However, any violation of this legislation associated with future agreements between this state and employers would result in a reimbursement to the state for incentives, loans, or grants paid out by the state.
- Any impact on DLWD to conduct investigations is estimated to be not significant.
- Any additional workload for ECD or the Attorney General can be handled within existing resources without a significant increase in state expenditures.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- This legislation is not estimated to have any significant impact on the total amount of economic development incentives or capital grants paid out by the state to businesses in this state; however, it may change which businesses are provided with such financial incentives.
- No significant impact to commerce or jobs in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/mk